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## GLOSSARY OF BUDGET TERMS

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<b><i>Activity</i></b>	Under the City's Outcome Management budget structure, an activity is the lowest level cost center within an operating program. It incorporates everything that goes into providing a specific service.
<b><i>Allocated Costs</i></b>	A method for allocating overhead time and other expenses to activities that provide direct services.
<b><i>Appropriations</i></b>	Expenditure authority created by City Council.
<b><i>Asset Forfeiture Fund</i></b>	This fund accounts for the proceeds from sale of assets seized primarily from illegal narcotics activities. Asset Forfeiture funds are used for law enforcement purposes.
<b><i>Basis of Budgeting</i></b>	Basis of budgeting refers to the method used for recognizing revenues and expenditures in the budget. The City uses the modified accrual basis of accounting for budgetary purposes, which is in compliance with Generally Accepted Accounting Policies.
<b><i>Base Budget</i></b>	Those resources necessary to meet an established and existing service level.
<b><i>Budget</i></b>	A financial plan consisting of an estimate of proposed expenditures, the proposed means of financing those expenditures and the corresponding purposes for a given time period.
<b><i>Budget Modification</i></b>	A change in expenditure levels and corresponding resources needed to accomplish an existing service level. All budget modifications are reflected in the current year budget and have been approved by City Council.

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<b><i>Budget Supplement</i></b>	A request for an increase or decrease in an existing service level (Over and above the base budget).
<b><i>Business License Tax</i></b>	This tax is based on a flat rate per number of employees or rental units ranging from a minimum of \$10 for a company with five or fewer employees, to a maximum of \$300 for a business with 146 employees or more.
<b><i>Capital Project</i></b>	A capital improvement that usually requires a major initial investment, and a significant and continuing financial commitment.
<b><i>Capital Projects Fund</i></b>	Funds that are used to account for financial resources to be used for the acquisition or construction of major capital projects (other than those financed by proprietary funds).
<b><i>Community Condition Indicator</i></b>	A statistical measure of existing conditions within the City. These provide tangible and quantitative expressions of the General Plan's goals, while some indicators directly impact City services.
<b><i>Community Development Block Grant Fund (CDBG)</i></b>	This fund accounts for use of community development block grant funds received from the federal government. Other revenues in this fund include repayments of commercial and residential loans and rental income from City property. Funds are used for programs or projects that increase affordable housing and benefit people with special needs such as senior and handicapped citizens.
<b><i>Construction Tax</i></b>	The City's construction tax is levied by City ordinance at a rate of \$0.0054 of the building permit valuation.

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***Community Recreation Fund***

This fund is used to account for all of the revenues and expenses related to the two city-operated golf courses, the tennis center, and the recreation classes and services offered by the City.

***Debt Service***

Principal and interest requirements on outstanding debt.

***Element (General Plan)***

There are seven elements of the General Plan which assist the City in delivering high quality services to its constituency as well as in meeting State requirements of a charter city. These seven elements are LAND USE & TRANSPORTATION, COMMUNITY DEVELOPMENT, ENVIRONMENTAL MANAGEMENT, LAW ENFORCEMENT, SOCIO-ECONOMIC, CULTURAL, PLANNING & MANAGEMENT.

***Employment Development Fund***

This fund accounts for various Federal funds and program revenues used for workforce development activities conducted by the North Valley Job Training Consortium.

***Employee Benefits Fund***

This fund accounts for charges to City departments for leave time, employee benefits, workers compensation benefits and retirement benefits on a cost reimbursement basis.

***Enterprise Fund***

These funds are used to account for operations that are financed and operated in a manner similar to private business where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be finance or recovered primarily through user charges. Activities such as water, wastewater, solidwaste, and community recreation are established as enterprise funds.

***Expenditure***

The actual outlay of funds from the City treasury.

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***Fiscal Year***

A 12-month period of time, from July 1 through June 30.

***Full Cost Accounting***

A branch of managerial accounting concerned with accumulating both direct and indirect costs for financial reporting and decision making purposes. By using this accounting technique, the City is able to assess the true cost of providing a service and its associated benefits.

***Fund***

A fiscal and accounting entity that has a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. City resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled

***Funding Sources***

Identifies fund(s) that will provide resources for City expenditures.

***Gas Tax Fund***

This fund is required by state law to account for gas tax revenues received from the state and expended for construction and maintenance of City streets.

***General Fund***

A fund that accounts for all financial resources necessary to carry out basic governmental activities of the City that are not accounted for in another fund. The General Fund supports essential City services such as police and fire protection, street maintenance, libraries, and parks and open space maintenance. Revenues to support the General Fund are derived from sources such as property tax, sales tax, franchise fees and service fees.

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***General Plan***

The General Plan is a long range planning document that provides the City a framework for action and the direction in which to focus that action. General Plan Elements are areas in which the City has elected to administer and manage the delivery of services to its community.

***General Plan Goal***

A long-term condition or end result that the City will work toward. Broad goals are set to maintain or affect community conditions. Each goal expresses a general and immeasurable value and is tracked by at least one indicator.

***General Services Fund***

This fund accounts for charges to City departments for use of fleet equipment, building space, office equipment, print shop services and computer services on a cost reimbursement basis.

***Grant***

A contribution by a government or other organization to support a particular function.

***Housing Fund***

This fund is used to account for housing mitigation revenue and HOME grant funds for housing from the federal and state governments. Funds are expended on special and capital projects designed to achieve the City's goal of affordable housing and community development

***Indices***

In Outcome Management, indices provide a way to standardize and depict program and service delivery plan performance.

***Information Technology  
Enterprise Fund***

This fund is used to account for activities relate to City-developed software programs.

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***Infrastructure Renovation  
and Replacement Fund***

A fund used to account for resources used for the City's long-term infrastructure renovation and replacement program.

***Infrastructure Project***

A project that is designed for the renovation and/or replacement of infrastructure assets.

***Interfund Transfer***

Amounts transferred from one fund to another.

***Internal Service Funds***

These are funds used to account for the financing of goods or services provided by one department or program to other departments or programs of the City on a cost-reimbursement basis.

***Liability and Property  
Insurance Fund***

This fund accounts for charges to City departments for property and liability insurance on a cost reimbursement basis.

***Legislative Issues***

Major policy decisions made by the City Council such as General Plan Sub-Elements, ordinances, and resolutions requiring study that need to be scheduled on Council's calendar.

***Objective***

Describes in specific and measurable terms the results which a program is expected to achieve.

***Operating Budget***

A financial plan for the provision of direct services and support functions.

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### ***Operating Program***

The City manages under a performance budget concept organized by programs, service delivery plans and activities. The program is the highest operational level and falls under a sub-element of the City's General Plan. There are two fundamental types of programs - direct services, which produce results directly affecting constituents or the environment; and support, which serve the direct services programs.

### ***Origin of Issue***

The origin of issue identifies the source for initiating the proposal for a project. These sources include City Council, outside request, Boards and Commissions, or staff.

### ***Origination Year***

The origination year is the fiscal year a project and its related costs were put into the Resource Allocation Plan. This is not necessarily the year the project is started.

### ***Outcome Management***

A refinement of the Performance Management concept, Outcome Management is structured to place the focus on the end product, not the process. It is defined by high level, core outcomes that determine the service delivery components.

### ***Outside Group Funding Project***

A project that captures City contributions made to local community-based organizations. These projects are operated out of the Community Development Block Grant (CDBG) and General funds.

### ***Park Dedication Fund***

This fund is used to account for funds that developers contribute towards the acquisition, construction, or renovation of neighborhood parks.

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***Parking District Fund***

This fund accounts for property taxes and special assessments levied on the real property located in the City's downtown parking district. The tax revenues in this fund are used primarily to maintain parking lots located within the district and pay principal and interest on outstanding bonds.

***Patent Library Fund***

This fund accounts for services and revenues of the Sunnyvale Center of Information, Innovation, and Ideas (SCI<sup>3</sup>).

***Percent of Project Completed***

Total percentage of a project completed at any given time.

***Performance Budget***

A budget wherein expenditures are based primarily upon measurable performance of activities.

***Performance Indicator***

A performance indicator is a measurement designed by a reasoning process to determine whether or not a service objective has been met. It measures the effectiveness of achieving the objective or how well the objective has been accomplished.

***Phase of Project***

Projects progress in phases from initial planning to ultimate completion. Possible phases are: planning, design, construction, implementation and completion. Some projects are of an ongoing nature and do not fit into a phase.



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***Planning and  
Management System  
(PAMS)***

This management system was designed to integrate the policymaking, service delivery, fiscal control and evaluation activities of the City into one strategic management blueprint. Comprised of three major components - General Plan, Service Delivery and Personnel and Program Evaluation - PAMS provides the City a more structured process of managing services, assigning responsibility and ensuring accountability.

***Police Services  
Augmentation Fund***

This fund accounts for monies received from the federal and state governments, which are expended to enhance law enforcement services.

***Products***

In the City's new Outcome Management budget structure, products are the end results of activities that support outcome statements.

***Production Efficiency***

Represents outputs and measures the ratio between the total number of equivalent units in operating programs and the total number of work hours expended.

***Production Unit***

A production unit is the measure of activity or task output. It is the production unit that determines the kind of service (output) to be delivered and the service level (quantity) that is expected to be achieved.

***Program Outcome  
Statement***

Under the Outcome Management budget structure, these statements describe the purpose and final result for which the program is undertaken (from the customer's view) as well as broad service areas and critical measures.

***Program Manager***

A supervisor or manager who plans and manages the execution of one or more of the City's operating programs.

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<b><i>Project Category</i></b>	Projects are categorized into four areas: Capital, Special, Outside Group Funding, and Infrastructure.
<b><i>Project Coordinator</i></b>	A person who coordinates the project for the user department.
<b><i>Project Costs</i></b>	All the costs associated with a project. These costs include prior year actual expenditures, current year budgeted expenditures and future year planned expenditures.
<b><i>Project Manager</i></b>	A supervisor or manager who plans and manages the execution of one or more of the City's projects.
<b><i>Project Number/Name</i></b>	Existing number and title in the City's financial system that identifies a particular project.
<b><i>Project Operating Costs /Savings</i></b>	If applicable, estimated operating costs or savings associated with the completion of a project are budgeted into the resource allocation plan.
<b><i>Project Type</i></b>	Within a category, a project can be sub-categorized based on a related type. There are eight project types: Solid Waste, Community Development Block Grant, Parks, Sanitary Sewer, General, Storm Drain, Street and Traffic Signals or Water.
<b><i>Property Tax</i></b>	California State Constitution Article XIII A provides that the combined maximum property tax rate on any given property may not exceed 1% of its assessed value unless an additional amount has been approved by voters. Santa Clara County assesses properties, bills and collects these property taxes. The City's share including all penalties and interest are remitted by the County.

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***Property Transfer Tax***

This tax is levied at a rate of \$0.55 per \$500 of equity value transferred. The County collects the tax and the City receives one-half. Revenues are dependent on how frequently the property is transferred and on the accrued value at the time of transfer.

***Redevelopment Agency Fund***

This fund accounts for the activities of the Redevelopment Agency of the City, which was created by the City Council to prepare and carry out redevelopment plans for designated areas of the City.

***Reserve***

Reserve amounts in a fund represent amounts that are not appropriable or are legally identified for specific purposes.

***Resource Allocation Plan (RAP)***

The City's Resource Allocation Plan is comprised of a two-year operating budget, fully funded ten-year operating and capital budgets and twenty-year projections for all of the City's funds.

***Revenue***

Funds the City receives as income such as tax payments, fees for services, grants, fines, forfeitures and interest income.

***Sales Tax***

The City receives one percent of the County taxes on retail sales. The sales tax is the City's single largest General Fund revenue source.

***Service Delivery Plans***

Under the Outcome Management budget structure, these plans describe specific programming of targeted services to meet the program outcome(s).

***Service Level***

Indicates a project's effect on existing levels of service provision or identifies a new service to be provided to the public.

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***Service Objective***

A service objective describes in specific and measurable terms the results a program is expected to achieve in a certain time frame. The achievement of the desired results can be related back to the accomplishment of the sub-element goal.

***SMaRT® Station Fund***

This fund was established to account for the revenues and expenses of the Sunnyvale Materials and Recovery and Transfer (SMaRT®) Station operations. The SMaRT® Station is a three way partnership between the cities of Sunnyvale, Palo Alto and Mountain View.

***Solidwaste Management Fund***

This fund accounts for the revenues and expenses related to refuse collection and solid waste disposal services.

***Special Assessment Fund***

A fund used to account for the financing of public improvements or services deemed to benefit primarily the properties against which special assessments are levied.

***Special Revenue Funds***

These funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or for major capital projects) that are legally restricted to expenditures for specified purposes.

***Spending Limitation  
(GANN LIMIT)***

Article XIII B of the California Constitution establishes a spending limitation on government agencies within California. The spending limit is a mandated calculation of how much the City is allowed to expend in one fiscal year. Annually, local governments may increase the appropriation limit by a factor comprised of the change in population combined with the California inflation rate and determined by the State finance department.

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<b><i>Statement of Need</i></b>	Provides a summary description of a project, including the results to be accomplished, timeliness and basis for project costs.
<b><i>Sub-Element</i></b>	Each element of the City's General Plan has a sub-element or series of sub-elements which make up the goals or standards desired for the future of the community. These sub-elements provide the avenue for which long-range policy making of the General Plan is developed and ultimately implemented.
<b><i>Sub-Element Goal</i></b>	Sub-element goals are established to further define policy areas. It is a statement describing a general community condition the City wants to achieve or maintain through its operating programs, projects or cooperation with other entities.
<b><i>Sub-Fund Number</i></b>	A three-digit number attached to a fund number that identifies a sub-division of the fund, thus capturing specific information as required.
<b><i>Task</i></b>	A task is a specific activity that departmental personnel perform to accomplish the results of a service objective. It is the basic cost center of the performance budget. All resources are budgeted and expended through a task or activity.
<b><i>Termination Year</i></b>	This is the fiscal year a project will be finished. For projects that are continuous, "ongoing" is the designated termination year.
<b><i>Transient Occupancy Tax</i></b>	An 8.5 percent tax is levied on charges for occupancy of hotel and motel rooms for stays. The City's lodging industry is largely dedicated to serving its industrial base.

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### ***20-Year Resource Allocation Plan***

The 20-Year Resource Allocation Plan is the backbone of the City's financial planning process. Eighteen planning years are projected at an assumed budgetary inflation rate of the last year in which detailed operating and project budgets are presented. This long-range planning gives the Council a tool with which it can project revenues, operating requirements and capital spending. It allows the cost of any policy decision to be measured in terms of long-range expenditure requirements, thereby raising "red flags" in areas where financial conditions may be unacceptable in the future. The 20-Year Resource Allocation Plan has helped the City establish a pay-as-you-go philosophy, allowing money to be set aside in reserve funds for future service expansion or major projects.

### ***User Department***

The department that initiated the project.

### ***User Fee***

The payment of a fee for direct receipt of a service by the party benefiting from the service.

### ***Utility Users Tax***

A two-percent tax is levied on utility billings for gas and electric and intra-state telephone services.

### ***Water Supply and Distribution Fund***

This fund accounts for all revenues and expenses related to the City-operated water utility.

### ***Wastewater Management Fund***

This fund accounts for all the revenues and expenses related to the city-operated sewer collection and Water Pollution Control Plant systems.

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***Weights***

Under Outcome Management, weights are assigned to program measures by the City Council to clarify relative priorities.

***Youth and Neighborhood  
Services Fund***

This fund accounts for revenues and operating program expenditures of the Columbia Neighborhood Center, a partnership between the City of Sunnyvale, the Sunnyvale School District and a private corporation (Advanced Micro Devices).